

THE DIRECTOR OF  
CENTRAL INTELLIGENCE

26 July 1977

National Intelligence Officers

FOR: DCI

FROM: James R. Lilley  
NIO/China

Re the NFIB meeting on Prospects for Taiwan at two this afternoon (26 July).

1. We have a last minute problem from Treasury. Treasury wants to strengthen the language of their footnote to state in effect that the assumptions are "dangerous" and the problems are "summarily dismissed". They may raise this at NFIB.

2. In my view, Treasury has a legitimate complaint and they can say what they wish in their own footnote. Their problem, however, is with State and with the Terms of Reference of the paper, not with us and our judgments. In my view, Treasury feels excluded by State from planning on post normalization economic relations with Taiwan and is using our forum to air their grievances.

3. I suggest that what Treasury needs is a separate paper (not an intelligence document, although there might be an intelligence input) which deals with post normalization economic policy towards Taiwan. I have suggested this to them.